

## § 155.735

dependents other than the name, address, and birth date of the spouse or dependent.

[77 FR 18464, Mar. 27, 2012, as amended at 78 FR 54141, Aug. 30, 2013]

### § 155.735 Termination of coverage.

(a) *General requirements.* The SHOP must determine the timing, form, and manner in which coverage in a QHP may be terminated.

(b) *Termination of employer group health coverage at the request of the employer.* (1) The SHOP must establish policies for advance notice of termination required from the employer and effective dates of termination.

(2) In the FF-SHOP, an employer may terminate coverage for all enrollees covered by the employer group health plan effective on the last day of any month, provided that the employer has given notice to the FF-SHOP on or before the 15th day of any month. If notice is given after the 15th of the month, the FF-SHOP may terminate the coverage on the last day of the following month.

(c) *Termination of employer group health coverage for non-payment of premiums.* (1) The SHOP must establish policies for termination for non-payment of premiums, including but not limited to policies regarding due dates for payment of premiums to the SHOP, grace periods, employer and employee notices, and reinstatement provisions.

(2) In an FF-SHOP—

(i) For a given month of coverage, premium payment is due by the first day of the coverage month.

(ii) If premium payment is not received 31 days from the first of the coverage month, the FF-SHOP may terminate the qualified employer for lack of payment.

(iii) If a qualified employer is terminated due to lack of premium payment, but within 30 days following its termination the qualified employer requests reinstatement, pays all premiums owed including any prior premiums owed for coverage during the grace period, and pays the premium for the next month's coverage, the FF-SHOP must reinstate the qualified employer in its previous coverage.

(d) *Termination of employee or dependent coverage.* (1) The SHOP must estab-

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lish consistent policies regarding the process for and effective dates of termination of employee or dependent coverage in the following circumstances:

(i) The employee or dependent is no longer eligible for coverage under the employer's group health plan;

(ii) The employee requests that the SHOP terminate the coverage of the employee or a dependent of the employee under the employer's group health plan;

(iii) The QHP in which the employee is enrolled terminates or is decertified as described in §155.1080;

(iv) The enrollee changes from one QHP to another during the employer's annual open enrollment period or during a special enrollment period in accordance with §155.725(j); or

(v) The enrollee's coverage is rescinded in accordance with §147.128 of this subtitle.

(2) In the FF-SHOP, termination is effective on the last day of the month in which the FF-SHOP receives notice of an event described in paragraph (d)(1) of this section, and notice must have been received by the FF-SHOP prior to the proposed date of termination.

(e) *Termination of coverage tracking and approval.* The SHOP must comply with the standards described in §155.430(c).

(f) *Applicability date.* The provisions of this section apply to coverage—

(1) Beginning on or after January 1, 2015; and

(2) In any SHOP providing qualified employers with the option described in §155.705(b)(2) or the option described in §155.705(b)(4) before January 1, 2015, beginning with the date that option is offered.

[78 FR 54141, Aug. 30, 2013]

### § 155.740 SHOP employer and employee eligibility appeals requirements.

(a) *Definitions.* The definitions in §§155.20, 155.300, and 155.500 apply to this section.

(b) *General requirements.* (1) A State, establishing an Exchange that provides for the establishment of a SHOP pursuant to §155.100 must provide an eligibility appeals process for the SHOP. Where a State has not established an